

Blue Ribbon Commission on Transportation Administration Committee

Final Meeting Summary *Approved October 14, 1999*

August 20, 1999

Present: Doug Hurley, Chair, Peter Bennett, Vice Chair, Representative Ruth Fisher, Tomio Moriguchi, Connie Niva, Pat Notter, Judie Stanton

Absent: Greg Devereux, Bob Dilger, Senator Dino Rossi, Ken Smith

Speakers: Helga Morgenstern, Ken Smith, and Tim Erickson, Washington State Department of Transportation

Others in Attendance: Diane Carlson (Association of Washington Cities), Aubrey Davis (Washington State Transportation Commission), Jerry Fay (Transportation Improvement Board), Doug Hodson (King County Department of Transportation), Jack Locke (City of Auburn), Dean Lookingbill (Southwest Washington Regional Transportation Council), Chris Mudgett (County Road Administration Board), Chris Rose (Washington State Transportation Commission), Bob Schuster (Sverdrup Civil), Charlie Shell (City of Seattle - Transportation), Gretchen White (Washington State Department of Transportation)

The Chair called the meeting to order at 9:00 a.m. The Committee approved the summary of the July 16 meeting as drafted.

The Chair explained that there would be no regular Administration Committee meeting in September, due to the Blue Ribbon Commission on Transportation retreat scheduled for September 8 and 9. Continuing with last month's discussion of efficiencies in operation and maintenance, the first half of this meeting would address ongoing efficiency efforts at Washington State Department of Transportation. The second half of the meeting would focus on the Administration Committee preliminary findings to be presented at the retreat.

WSDOT Efficiencies

Helga Morgenstern, Assistant Secretary for Finance and Administration Services at the Washington State Department of Transportation (WSDOT), explained that the Office of Financial Management defines efficiency measure as the cost per unit. Indications of efficiency are producing on time and within budget; low overhead, with limited administration and management; and workforce expertise. WSDOT defines value as quality over cost; measurements of quality include error rates, cycle time, and rework. In response to stakeholder expectations and legislative direction, including cuts in administration and implicit cuts for unrecognized inflation, WSDOT is focusing on accountability and performance measurements. WSDOT is working with OFM and the Legislature to agree on valid program measurements, and a consultant is looking at overhead and the cost of doing business. Over the last decade, WSDOT support costs have gone from 7.5 to 6.5 percent of total expenditures, and from 18 percent of total FTE budget to 16 percent. In benchmarking, WSDOT is starting by looking at its own activities and benchmarking against them.

Morgenstern presented some efficiency examples showing that WSDOT is examining how it does business. These include standardized design for similar capital facilities; working nights, which saves on traffic control, because there is only ten percent of the traffic of daytime; partnering with contractors before the contractor begins work, to avoid change orders; ergonomic assessments to avoid employee claims, with the safety office proactively visiting work stations; using computer discs in lieu of paper manuals; and simplifying rules and regulations. These may only result in small dollar savings, but the small savings add up.

In response to a question on the scale of reforms, and the total impact on the budget of these efficiencies, Morgenstern stated that more work was being accomplished but the magnitude was not known. There was discussion of the need for objective measurement to instill public confidence that money was being spent wisely. Also expressed was the concern that the good efforts that WSDOT undertakes are not the stuff of exciting news stories, so the public does not hear about them and may have negative perceptions that are dated.

Value Engineering at WSDOT

Ken Smith of WSDOT spoke about project delivery efficiencies that take place through the agency's value engineering program. Recognizing that 80 percent of a project cost can be found in 20 percent of the functional items, the value engineering process breaks the components of a project into functions. A team of experts in the required disciplines, together with partners from outside WSDOT including governmental and permitting agencies, identifies solutions to satisfy each function.

An example given of the use of value engineering was the guardrail around a bridge pier, whose function is to redirect traffic but which has a high life cycle cost due to maintenance. By replacing the guard rail with a pile of dirt that fulfills the function but has low maintenance, and making this a design standard to be applied to future projects, substantial costs are avoided. Over eighty percent of recommendations from the value engineering teams are accepted — the highest implementation rate in the United States, which has led to a national award. (Of eight awards from the Federal

Highway Administration, for which all 50 states competed, WSDOT won three awards.) Some of the best ideas have come from nonengineers, including train drivers and maintenance people. The value of the recommendations over the last three years is \$128 million in costs avoided.

WSDOT's Commercial Vehicle Information Systems and Networks Program

Tim Erickson spoke about WSDOT's Commercial Vehicle Information Systems and Networks (CVISN) program, whose purpose was to provide a level of automation desired by trucking and law enforcement agencies. Begun in Clark County, CVISN allows truckers to purchase permits over the internet. The information is downloaded to officers who can access the safety rating of truckers. Truckers can thus avoid the necessity to pull into the scale house. Washington is the first state to screen trucks in this innovative manner. The system will be extended to 14 other sites in the state.

Aside from the time and information savings for truckers and law enforcement, CVISN puts dollars into the state's coffers faster, because when truckers apply for the permit the Department of Licensing receives the revenues right away. In addition, the system allows the state to catch lapses of fuel tax payments. Finally, the system pays for itself entirely. The truckers were willing to raise the permit fee to go directly to CVISN to support this program, paying all its operational and administrative costs.

Committee Discussion of Findings

The Committee spent the remainder of the meeting reviewing the preliminary findings document that had been sent out to Committee members in advance of the meeting. Revisions and adjustments in language were suggested. The Chair explained that the findings, as revised by staff to address suggestions from Commissioners, would be presented at the Commission retreat in September, along with those of the other committees. The preliminary findings, subject to further revision following the retreat, are scheduled for adoption by the Commission at its October 14 meeting.

Next Meeting

The next Committee meeting is scheduled for **Thursday, October 14, 9:00 a.m. to 12:00 p.m.**, in Salon 1 of the SeaTac Marriott Hotel. The full Commission will meet in the afternoon. (Please note that the Administration Committee meeting will begin at 9:00 a.m., not 8:30 as incorrectly noted on the Commission's printed schedule.)

The meeting was adjourned at 12:00 p.m.